



THE CORPORATION OF THE TOWN OF PARRY SOUND
RESOLUTION IN COUNCIL

NO. 2022 – 105

DIVISION LIST

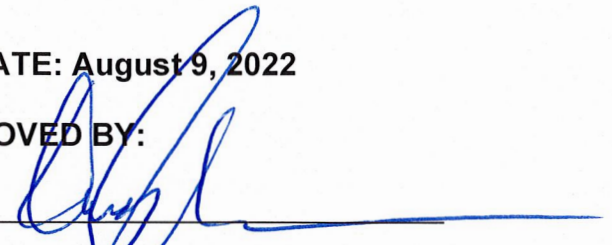
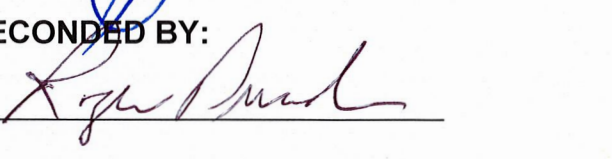
YES NO

DATE: August 9, 2022

- Councillor V. BACKMAN
- Councillor P. BORNEMAN
- Councillor R. BURDEN
- Councillor B. HORNE
- Councillor B. KEITH
- Councillor D. McCANN
- Mayor J. McGARVEY

MOVED BY:

SECONDED BY:

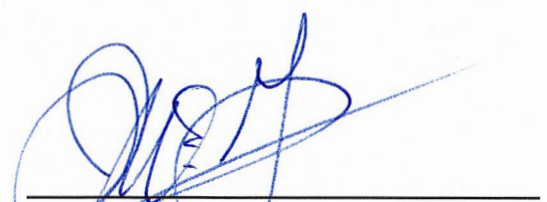



CARRIED: DEFEATED: Postponed to: _____

That Council receives the 2021 Reserve and Reserve Fund Annual Report, attached as Schedule A, in compliance with the Town's Reserve and Reserve Fund Policy; and

That as a reduction is expected to the WSIB liability currently under review, funds as they become available will be transferred to the Legal-Insurance Claim Reserve to a maximum of \$200,000 limit and any excess to the Town's Pool Reserve; and

That Council hereby approves the allocation of the remaining surplus as identified in Schedule B.



Mayor Jamie McGarvey



2021 Reserve and Reserve Fund Annual Report

The Town adopted a Reserve and Reserve Fund Policy in August 2014. The Policy requires that the Treasurer for the Town prepare an annual report with a continuity schedule for the reserves and reserve funds.

Reserves

Reserves are allocations of accumulated net revenue at the discretion of council as part of an overall strategy for funding programs or projects. They are often used to mitigate the impact of fluctuation in operating expenses and revenues. Reserves are not associated with any specific asset, and do not require the physical segregation of money. Reserves do not earn interest.

Reserve Balances at 2021 Year End

As at December 31, 2021, the total balance of the Town's 35 reserves was \$24,319,678., compared to \$21,185,765 at the end of 2020. These reserves include:

- 11 reserves established for the replacement of capital assets with a total balance of \$4,166,948 (2020 - \$4,020,638);
- 2 reserves established to provide working capital and tax rate stabilization with a total balance of \$4,952,816 (2020 - \$4,267,453);
- 2 reserves established for the water and wastewater system with a total balance of \$12,461,723 (2020 - \$10,348,573); and
- 20 reserves established for funding operational requirements with a total balance of \$2,738,192 (2020 - \$2,549,101).

During 2021, Council established the Town of Parry Sound - Pool Reserve and a Legal/Insurance Claim Reserve to begin putting funds aside for the Town's contribution to capital and operating requirements of the West Parry Sound Recreation and Cultural Centre as well as planning for unexpected legal/insurance claim costs. Table 1 summarizes opening balances, transactions and ending balances of all the Town's reserves.

Table 1 - 2021 Year End Reserve Balances

Item	Opening Balance Jan 1, 2021	Transfers In	Transfers Out	Year End Surplus Allocation	Ending Balance Dec 31, 2021
Big Sound Marina	1,184,305	-	(1,184,305)	-	0
Building	488,948	136,460	-	-	625,408
Cemetery and Columbaria	25,468	-	-	-	25,468
Covid-19 Funding	235,443	127,557	(190,273)	-	172,727
Economic Development	141,459	-	-	-	141,459
Emergency Capital Asset Replacement	200,000	-	-	-	200,000
Emergency Services	42,935	-	-	-	42,935
Equipment Replacement	327,562	179,094	(13,339)	-	493,317
Façade Improvement Program	60,580	40,000	-	-	100,580
Fleet	541,592	467,985	-	-	1,009,577
Founders Circle	35,095	-	(15,000)	-	20,095
General Working Capital	3,129,532	-	-	685,361.77	3,814,894
Health Unit Capital	14,428	-	-	-	14,428
Health Unit Cost Stabilization	29,514	-	-	-	29,514
Industrial Park	30,410	-	-	-	30,410
Infrastructure Replacement	490,371	297,208	(42,144)	-	745,435
IT Replacement	169,523	60,000	(45,904)	-	183,619
LACAC*Directory	7,667	-	-	-	7,667
Legal-Insurance Claim	-	200,000	(161,347)	124,119	162,772
Long-term Care	-	61,684	-	-	61,684
Modernization Funding	645,414	-	(67,986)	-	577,428
Municipal Elections	10,000	5,000	-	-	15,000
Parks	399,368	49,000	-	-	448,368
Planning Legal	20,000	-	-	-	20,000
Police Cost Stabilization	188,018	15,679	-	-	203,697
Pool – Town Only	-	30,000	-	248,343	278,343

Salt Management	18,000	-	-	-	18,000
Stockey Centre	193,501	4,798	(40,885)	-	157,414
Storm Water Management	100,000	-	-	-	100,000
Tax Rate Stabilization	1,137,921	-	-	-	1,137,921
Waste Management	236,720	1,612	-	-	238,332
Wastewater Stabilization	4,353,449	1,685,996	(681,300)	-	5,358,145
Water Stabilization	5,995,124	1,156,198	(47,745)	-	7,103,577
Winter Control	392,318	48,046	-	-	440,364
WSIB Reserve	341,100	-	-	-	341,100
Total	21,185,765	4,566,317	(2,490,228)	1,057,824	24,319,678

Projected Balanced at 2022 Year End

The following Table 2 shows the projected reserve balances at the end of 2022, considering the contributions and withdrawals in the 2022 budget and subsequent Council resolutions.

Table 2 – Projected 2022 Year End Reserve Balances

Item	Opening Balance Jan 1, 2022	Transfers In	Transfers Out	Ending Balance Dec 31, 2022
Big Sound Marina	0	-	-	-
Building	625,408	121,460	(107,000)	639,868
Cemetery and Columbaria	25,468	5,500	-	30,968
Covid-19 Funding	172,727	-	(172,727)	0
Economic Development	141,459	-	(24,780)	116,679
Emergency Capital Asset Replacement	200,000	-	-	200,000
Emergency Services	42,935	-	-	42,935
Equipment Replacement	493,317	200,000	(196,320)	496,997
Façade Improvement Program	100,580	40,000	-	140,580
Fleet	1,009,577	636,888	(285,500)	1,360,965
Founders Circle	20,095	-	-	20,095
General Working Capital	3,814,894	-	(611,824)	3,203,070
Health Unit Capital	14,428	-	-	14,428

Health Unit Cost Stabilization	29,514	-	-	29,514
Industrial Park	30,410	-	-	30,410
Infrastructure Replacement	745,435	137,987	(156,800)	726,622
IT Replacement	183,619	76,000	(169,260)	90,359
LACAC*Directory	7,667	-	-	7,667
Legal Insurance Claim Reserve	162,772	-	-	162,772
Long-term Care Reserve	61,684	-	-	61,684
Modernization Funding	577,428	-	(420,920)	156,508
Municipal Elections	15,000	5,000	(20,000)	0
Parks	448,368	-	(245,080)	203,288
Planning Legal	20,000	-	-	20,000
Police Cost Stabilization	203,697	-	(102,573)	101,124
Pool Town Only	278,343	75,000	-	353,343
Salt Management	18,000	-	-	18,000
Stockey Centre	157,414	30,000	(60,900)	126,514
Storm Water Management	100,000	-	-	100,000
Tax Rate Stabilization	1,137,921	-	(4,557)	1,133,364
Waste Management	238,332	-	-	238,332
Wastewater Stabilization	5,358,145	1,632,654	(3,508,500)	3,482,300
Water Stabilization	7,103,577	1,078,761	(636,566)	7,545,772
Winter Control	440,364	-	-	440,363
WSIB Reserve	341,100	-	-	341,100
Total	24,319,678	4,039,250	(6,723,307)	21,635,621

Reserve Funds

Reserve funds are segregated and restricted to meet specific purposes. They are monies set aside either by a By-law of a municipality (*discretionary reserve fund*) or by the

requirement of provincial legislation (*obligatory reserve fund*). Interest earned by a reserve fund must be allocated to the specific reserve fund.

Reserve Fund Balances at 2021 Year End

As at December 31, 2021, the total balance of the Town's 20 reserve funds was \$9,937,379, compared to \$7,525,273 at the end of 2020. Table 3 summarizes opening balances, transactions and ending balances of the reserve funds in 2021.

Table 3 - 2021 Year End Reserve Fund Balances

Reserve Fund	Opening Balance Jan 1, 2021	Interest	Transfers In	Transfers Out	Ending Balance Dec 31, 2021
Association of WPS Municipalities	1,511	12	-	-	1,523
Bobby Orr Hall of Fame	142,391	-	-	(142,391)	-
Bobby Orr Hall of Fame Scholarship	16,230	130	-	-	16,360
Bobby Orr Hall of Fame Special Projects	237,759	1,036	97,391	(73,393)	262,794
Capital Asset Legacy	1,433,982	1,312	185,405	400,000	2,020,700
Capital Replacement	3,004,065	8,870	453,353	(20,000)	3,446,288
Development Charges/Lot Levy	94,397	477	-	(11,087)	83,787
EMS Equipment/Capital	206,453	519	435,403	(327,583)	314,791
Federal Gas Tax	-	3,560	797,204	-	800,765
Future Pool	56,860	701	-	(16,887)	40,674
Land Ambulance Severance	578,370	4,644	-	-	583,014
Land Ambulance Surplus	595,336	2,573	485,301	-	1,083,210
Municipal Parking	119,428	413	-	-	119,841
Property/Parkland	102,020	502	-	-	102,522
Public Transit (Provincial Gas Tax)	166,584	1,646	58,123	(4,499)	221,853
Sewer Development	131,006	535	18,400	0	149,941
Smelter Wharf	457,231	1,611	75,000	(45,206)	488,636
Splash Pad	44,836	164	-	-	45,000
Treetops	2,022	17	100	-	2,139
Water Development	134,793	350	18,400	-	153,543
	7,525,273	29,072	2,624,081	(241,047)	9,937,379

Projected Balance at 2022 Year End

The following Table 4 shows the projected reserve fund balances at the end of 2022 considering the contributions and withdrawals in the 2022 budget and subsequent Council resolutions.

Table 4 – Projected 2022 Year End Reserve Fund Balances

Reserve Fund	Opening Balance Jan 1, 2022	Interest	Transfers In	Transfers Out	Ending Balance Dec 31, 2022
Association of WPS Municipalities	1,523	18	-	-	1,541
Bobby Orr Hall of Fame	-	-	-	-	-
Bobby Orr Hall of Fame Scholarship	16,360	400	-	(2,000)	14,760
Bobby Orr Hall of Fame Special Projects	262,794	2,160	-	(85,750)	179,204
Capital Asset Legacy	2,020,700	790	103,200	(400,000)	1,724,690
Capital Replacement	3,446,288	7,000	-	(510,500)	2,942,788
Development Charges/Lot Levy	83,787	1,150	-	(50,000)	34,937
EMS Equipment/Capital	314,791	2,218	461,281	(640,000)	138,290
Federal Gas Tax	800,765	4,150	-	-	804,915
Future Pool	40,674	630	-	-	41,304
Land Ambulance Severance	583,014	5,337	-	-	588,351
Land Ambulance Surplus	1,083,210	15,555	-	(120,000)	978,765
Municipal Parking	119,841	240	-	-	120,081
Property/Parkland	102,522	440	-	-	102,962
Public Transit (Provincial Gas Tax)	221,853	884	-	-	222,737
Sewer Development	149,941	1,600	-	-	151,541
Smelter Wharf	488,636	5,600	38,190	-	532,426
Splash Pad	45,000	48	-	-	45,048
Treetops	2,139	20	-	-	2,159
Water Development	153,543	1,650	-	-	155,193
	9,937,379	49,891	602,671	(1,808,250)	8,781,693



Schedule B to Resolution 2022 - 105

Town of Parry Sound

Determination of Tax Levy Surplus

December 31, 2021

	2021 Actual	Comments
Total Net Levy	\$ (3,491,843)	All 300 - 400 series accounts (Revenue less Expenses) *EXCLUDES DBA & Library
Adjustments		
Remove Amortization Expense	-5,551,086	Remove amortization, as levy uses cash flow
Adjust for Gain (Loss) on disposal of assets	6,739	-5,544,347
Adjusted Operating Budget	\$ (9,036,190)	Removes loss on disposal of assets as this is a PSAB entry that relates to disposal of asset
Change to/from Deferred Revenue also transferred to/from reserves in Year	283,079.01	283,079.01
Capital Budgets Total Cost		
Administration/IT	\$ 72,712.35	
Financial and POA Court Services	-	
Protective Services	-	
Fire Services	-	
Land Ambulance (EMS)	506,659.73	
Operations	52,987.61	
Wastewater	140,679.14	
Water	43,991.02	
Development and Leisure Services	1,738,981.67	
Stockey Centre and Bobby Orr Hall of Fame	30,397.72	
	<u>2,586,409.24</u>	2,586,409.24
Capital Costs in Work in Progress (Not Yet Funded)		Capital budget \$8,125,657 including carryforward
Change to WIP in 2021	\$ 116,792.62	116,792.62
Transfers from Reserves and Reserve Funds		
From Reserve	\$ (2,490,321.74)	01-270-3002-00805
From Reserve Funds	(1,041,047.31)	01-270-3002-00801
	<u>(3,531,369.05)</u>	(3,531,369.05)
Transfers to Reserves and Reserve Funds		
To Reserve	4,589,485.50	01-270-3001-00805
To Reserve Funds	2,622,234.34	01-270-3001-00801
	<u>7,211,719.84</u>	7,211,719.84
Principal Payments on Long-Term Debt		
Big Sound Marinal, BOCC Roof and Downtown Public Washroom	\$ 28,602.80	
BOCC	112,500.38	
Forrest St, Hillcrest Drive, College Drive (2016)	106,666.66	
Gibson Street Project	57,500.40	
James, Gibson & Mary St	4,999.62	
McDougall Water Tower System	100,000.00	
Municipal Office	87,500.00	
Riverdale Road Project	35,000.00	
Smelter Wharf (Port)	33,725.97	



**Town of Parry Sound
Determination of Tax Levy Surplus
December 31, 2021**

	2021 Actual	Comments
Stockey Centre Roof (new in 2020)	28,627.62	
BOCC Ice Pad (new in 2020)	19,116.16	
Wastewater Force Mains	12,500.00	
Wastewater Plant	125,000.00	
William St & Emily St	92,533.18	
Water Filtration Plant	-	
Macklaim Dennis	14,108.18	
	-	
	858,380.97	
	\$ (1,511,177.50)	
Change in Unfinanced Capital		
	\$ -	
Deficit (Surplus)	\$ (1,511,177.50)	

Proposed Recommendation for Allocation of Operating Surplus

Reserve Name	Balance Before Surplus	Target Upper Limit	Max Contribution Per Policy	Surplus Allocation
Tax Rate Stabilization Reserve	\$ 1,137,921.40	\$ 1,170,882.10	30%	Meets Lower Limit of 5% tax levy
Capital Replacement Reserve Fund	\$ 2,907,934.46	\$ 12,331,947.41	30%	\$ (453,353.25)
Emergency Capital Asset Replacement Reserve	\$ 200,000.00	\$ 200,000.00	10%	Meets Target
Other:				\$ -
Legal/Insurance Claim Reserve	\$ 38,653.00	No target	30%	\$ (124,119.30)
Town's Contribution to Pool Reserve	\$ -			\$ (248,343.18)
Non Union Job Eval (General Working Reserve)				\$ (231,038.06)
General Working Reserve	\$ 3,129,531.99	\$ 2,927,205.25	\$454,323.71 in 2022 plus \$53,400 in 2021 already contributed 2022-041 temporarily from general working capital	\$ (454,323.71)
			100%	\$ (1,511,177.50)
				\$ 1,511,177.50